



March 2006

## ***Streamlining the Supply Chain***

### ***How we got here***

The procedure that we use today to acquire electronic content was developed in the early days of negotiations with large scholarly publishers. While suitable for large databases of content, the cost of handling a license with every library is an obstacle for smaller publishers that represent the "long tail" of scholarly publishing.

Many of these publishers are societies or academic editors whose primary concern is visibility for their content. However, the only distribution process available today for ejournals is a lengthy and expensive licensing procedure requiring customized agreements with every subscriber. The cost of handling a license can easily exceed the price of the content.

### ***The problem***

The current process of bi-directional legal contracts increases the cost of sales for both libraries and publishers. While a few libraries have created their own license to simplify their procedures, this approach doesn't reduce the amount of time required of the publisher. As a result with the current process:

- Libraries often have a backlog of licenses for their most affordable titles.
- Publishers have an increased workload, higher costs that contribute to higher prices.
- Users don't have timely access to electronic content.

The issue stems from the fact that a license is a legal contract and universities automatically require that appropriate legal terms be part of such an agreement. So can we eliminate the license and reduce the handling costs for both publishers and libraries?

### ***A Best Practice option?***

We've learned a lot in the 10 years we've been signing licenses. For the most part it appears that we've sorted out balanced positions on many topics (authorized users, interlibrary loan, issues of unauthorized use). However, librarians and publishers in the U.S. have not yet come together to outline a common set of expectations and obligations that could form the basis of a "best practice".

What if we created a shared understanding of the nature of an e-journal subscription using best practices rather than creating legal contracts to define each subscription arrangement? Publishers that want to insure their content is widely accessible, could sell their publications without having to increase their costs to handle paperwork. Librarians could more easily manage the increasing volume of electronic resources.

This would provide an option for those publishers who are willing to rely on accepted best practices when selling an e-journal subscription. It might not be appropriate for consortia agreements or expensive deals, but it would allow a growing number of smaller players, many of whom librarians wish to see survive, reduce the cost of doing business.

### ***The evolving discussion***

CrossRef and Project Counter are two examples where groups of publishers and librarians have successfully agreed to work together. Everyone wins if we can reduce our costs by streamlining the supply chain.

The concept has been evolving through discussions led by Selden Lamoureux (University North Carolina Chapel Hill) and Judy Luther (Informed Strategies, consultancy) during sessions at the 2005 Charleston Conference, 2006 ALA Midwinter and the Electronic Librarians Conference (held this year for the first time). <http://electroniclibrarian.org/>

ARL, SPARC & ALPSP have expressed interest in exploring the idea of a Best Practice agreement. A jointly produced document could be hosted on websites for both publisher and library organizations with a list of participating libraries/publishers.

### ***Questions***

Librarians and publishers should consider whether a license is always needed since the likelihood of a not-for-profit publisher and library suing each other is quite low.

What if the legal language required in contracts was eliminated?

- warranties
- force majeure
- assignment
- governing law
- indemnities
- severability

A Best Practice document developed by both publishers and librarians could address:

- Authorized users
- Standard/prohibited uses
- Content: full coverage for a journal subscription
- Technical issues: system performance expectations, usage statistics, privacy of use data

Financial terms could be addressed separately, either directly with the publisher or through agents.

- Price
- Timeframe: annual, multiyear etc.
- Cancellation – access to content after cancellation, etc.

A Best Practice document could take a tiered approach with different levels of requirements ranging from minimum (PDFs online) to maximum (DOI enabled, COUNTER compliant). Editeur ONIX could encode standards of a best practice statement just as it currently encodes terms of legal contracts.

An annual review of a Best Practices document by a designated group of librarians and publishers would provide for new terms to be identified and incorporated as the industry evolves. Publishers could participate at different levels as they do now with Project COUNTER which provides recognition and motivation to adopting emerging practices.

### ***Next steps***

In the near term you may add your name to the growing list of those interested in updates by emailing [judy.luther@informedstrategies.com](mailto:judy.luther@informedstrategies.com). As interest grows we anticipate that a small group of publishers and librarians would draft a Best Practice Document to be vetted within the industry and then endorsed by the professional organizations.